



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note – 2009 Biennium

Bill #	HB0062	Title:	Authorize contributions of annual leave to sick leave fund
Primary Sponsor:	Jacobson, H.	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Include in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL ANALYSIS

Assumptions:

1. During FY 2006, 157 employees donated 1,954.32 hours of sick leave to the fund (an average donation of 12.45 hours per employee). There were 28 enrolled employees who used 963.59 hours during that same time period (an average of 34.41 hours used per recipient). As of June 30, 2006 the sick leave fund balance was 1,299.29 hours.
2. Periodically the agency will notify agencies of the status of the fund and employees will participate in a *drive* for contributions to the fund in order to increase the balance.
3. As of June 30, 2006, there were 1,635 active employees enrolled in the sick leave fund. Employees enrolled in the sick leave fund may submit claims to the fund if they become eligible (i.e. have been absent from work 10 consecutive days, have exhausted their sick and vacation leave, and have had 20 hours of leave-without-pay) if there are sufficient hours in the fund.
4. There were 16,519.40 sick leave hours donated by 749 employees for direct sick leave grants to other employees during fiscal year 2006 (an average of 22.05 hours donation per employee). During that same time period, 149 employees received direct sick leave grants (an average of 110.87 hours used per recipient).

5. Allowing vacation leave time to be donated to the sick leave fund will increase the size of the fund, both in dollars and participants. At this time the Department of Administration is unable to estimate the potential increased amount of participants or contributions. However, vacation leave is cashed out at 100% of the rate of pay per hour at the time of termination from employment. Sick-leave is cashed out at 25% of the rate of pay per hour at the time of termination. In addition, vacation leave balances are lower for employees who have been with the state a long time and accrued substantial sick leave. Taking these factors into account, the department does not believe vacation leave contributions will be as great as sick leave contributions.
6. The sick leave fund is currently tracked manually - outside the state's accounting system. Manual tracking has created repeated problems in tracking an accurate fund balance. If the size of the sick leave fund were to increase above its current level, the state would need to look at developing a tracking system, most likely in the statewide human resource system. The analysis and build effort to add this functionality will require approximately 1,000 hours but could be absorbed into the existing budget by adjusting the priorities in the SABHRS work plan.
7. This fiscal note assumes that all vacation leave hours that are donated to the sick leave fund are earned at the same pay-rate as that at which the sick leave hours are used by the recipient, and all hours are earned and used within the same timeframe.
8. There is no fiscal impact anticipated from this legislation.

Sponsor's Initials

Date

Budget Director's Initials

Date